



State of New Jersey

OFFICE OF THE GOVERNOR
125 WEST STATE STREET
PO Box 001
TRENTON NJ 08625-0001

RICHARD J. CODEY
Acting Governor

FOR IMMEDIATE RELEASE
DATE: September 26, 2005

CONTACT: Kelley Heck
PHONE: 609-777-2600

NEW JERSEY SUES OIL COMPANIES, GAS STATIONS OVER PRICE VIOLATIONS

Investigation reveals multiple price changes within 24-hour period

(NEWARK) – Acting Governor Richard J. Codey today announced that New Jersey has filed lawsuits against oil companies and independent gas-station operators for price violations during the Hurricane Katrina crisis.

“Companies that prey on hard-working families through fraudulent practices should feel the full force of the law,” said Codey. “Katrina was a devastating hurricane – not a financial windfall for the shameless.”

Oil companies Hess, Motiva Shell, Sunoco and various independent gas-station operators are charged with violating the State Motor Fuels Act and Consumer Fraud Act through their pricing practices.

The violations found at both company-owned and -operated and independently-owned gas stations include multiple price changes occurring during a 24-hour period.

Fueled by motorists’ inquiries and Governor Codey’s direction, the State Office of Weights and Measures, as well as county and municipal inspectors, increased station inspections and monitored the sharp increase in gasoline prices in the days before the Labor Day weekend and Hurricane Katrina’s landfall.

The State’s four lawsuits, filed in State Superior Court in Mercer County, charge that the defendants violated New Jersey’s laws by:

- revising gas prices at the pump more than once every 24 hours;
- failing to display signs for motor fuel prices;
- failing to maintain books and records;
- failing to provide access to books and records;

- engaging in Unconscionable Commercial Practices; and
- violating advertising regulations.

“We’re going after these oil companies and gas station owners to the fullest extent of the law,” Attorney General Peter C. Harvey said. “Consumers are at the mercy of gasoline suppliers and retailers, because most people need gas to drive to work and run essential errands on a daily basis. We will not allow businesses to exploit natural disasters such as Hurricane Katrina by inflating prices at the pump in violation of New Jersey’s laws.”

The independent station owners named in the lawsuits sell Citgo, Hess, Shell and Sunoco brand gasoline.

Also under the direction of Governor Codey, state, county and municipal Weights and Measures inspectors have been proactively monitoring operations at gas stations, as well as investigating complaints filed by motorists, Consumer Affairs Director Kimberly Ricketts noted. Investigators from the State Office of Consumer Protection also are working with Office of Weights and Measures inspectors.

“I want to commend the motorists who contacted their local office or the State Office of Weights and Measures and filed complaints,” Director Ricketts said. “Their attention to multiple prices increases occurring during a single day, of roadside price signs not matching the price set on the pump and other violations led inspectors to problem locations.

“Consumers want to know why gas prices skyrocketed overnight as Hurricane Katrina made landfall but then only slowly inched downward as oil prices fell several dollars a barrel in the following days,” Ricketts added. “There seems to be a speed aberration that even Einstein would have difficulty understanding.”

Violations of the Motor Fuels Act carry a \$50 to \$200 penalty. Violations of the Consumer Fraud Act, which include unconscionable commercial practices and false or misleading advertising, carry a penalty of up to \$10,000 for a first offense and up to \$20,000 for subsequent offenses.

Deputy Attorneys General Brian Brennan and Jeffrey Koziar are representing the State in these matters.

Copies of the lawsuits are available by contacting the Division of Consumer Affairs press office at 973-504-6327.

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Hess Complaint <http://www.njconsumeraffairs.gov/weights/hesscomp.pdf>

Motiva Shell Complaint <http://www.njconsumeraffairs.gov/weights/shellcomp.pdf>

Sunoco Complaint <http://www.njconsumeraffairs.gov/weights/suncomp.pdf>

Independent Stations Complaint <http://www.njconsumeraffairs.gov/weights/citcocomp.pdf>